RAJYA SABHA

Tuesday, the 5th August, 1997/14 Shravana, 1919 (Saka)

The House met at eleven of the clock, **The Deputy Chairman** in the Chair

ORAL ANSWERS TO QUESTIONS

THE DEPUTY CHAIRMAN: Question No. 181.....*(Interruptions)*...

SHRI N. THALAVAI SUNDARAM: Madam, It is a very sensitive subject....*(Interruptions)*....

THE DEPUTY CHAIRMAN: I know. All subjects are very sensitive. ....*(Interruptions)*.... All subjects raised in the House are very sensitive ....*(Interruptions)*.... Please sit down....*(Interruptions)*....

SHRI N. THALAVAI SUNDARAM: Madam, there is no protection for MPs and MLAs in our country, and as far as Tamil Nadu is concerned....*(Interruptions)*....

THE DEPUTY CHAIRMAN: I will give you all protection....*(Interruptions)*....Please sit down....*(Interruptions)*....

*181. *[The questioner (Shri Dilip Singh Judev) was absent for answer* Vide *Col. ...Infra.]*

Steps to Safeguard the interest of Rubber Growers

*182. SHRI GOVINDRAM MIRI: Will the Minister of COMMERCE be pleased to state:

(a) whether it is a fact that the prices of rubber have declined recently; and

(b) if so, the steps taken/contemplated to safeguard the interests of rubber growers?

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE (SHRI BOLLA BULI RAMAIAH): (a) and (b) Rubber prices have declined compared to the high levels reached around middle of 1995. Since the beginning of this year the prices have been fluctuating. The situation is under close watch to ensure that the growers are not denied a fair price.

SHRI GOVINDRAM MIRI: Madam, I have put specific questions, but I am sorry to say that the hon. Minister has evaded a reply. As reported in *The Hindustan Times*, dated 16th July, 1997, the price of raw rubber declined to Rs. 33/- per Kg., while it was Rs. 55/- per Kg. during the last year. As such, a steep fall is undeniable.

I would like to ask the hon. Minister whether the cultivators' demand that out of 50,000 tonnes of natural rubber lying unified in the godowns of farmers, the STC should procure 25,000 tonnes of natural rubber and the remaining 25,000 tonnes of rubber may be purchased by the Rubber Marketing Federation, and that the Federation should be given sufficient funds to lift the remaining stock with a view to check the prices from falling further, has been acceded to? If yes, when? If not, why not?

SHRI BOLLA BULI RAMAIAH: Madam Deputy Chairperson, the hon. Member wants to know the reason for the prices of rubber coming down substantially as compared to 1995-96. It all depends on demand and supply. When there is an increased demand, the prices go up. Now, since the production is high and the demand for rubber has also decreased, the prices have come down. Hon. Members informed me that the prices of rubber has have fallen very much. I immediately asked the STC to intervene in market. As a result of that, the prevailing prices of Rs. 4,400/- per quintal fell by Rs. 5/- to Rs. 6/- per Kg. But, still we will try to see that the price level is maintained properly, and farmers get reasonable prices.

SHRI GOVINDRAM MIRI: Madam, the reply is not so proper as expected from the hon. Minister. He is said to be a very able Minister....*(Interruptions)*....

THE DEPUTY CHAIRMAN: I think, he has answered....*(Interruptions)*.... I heard, he answered very correctly.

SHRI GOVINDRAM MIRI: Madam, my second supplementary is whether it is a fact that on 19th July, 1997 a *"Rail Roko"* protest was staged at Kottayam to force the Government to come to their rescue in this regard. If yes, what has been the reaction of the Government of India thereto?

SHRI BOLLA BULI RAMAIAH: Madam, the specific question was about fall in the price of rubber. I have already stated that we immediately intervened through the STC, so that the growers could get reasonable prices. So far as the other part of the question is concerned, it is for the State Government to look after.

SHRI TRILOKI NATH CHATURVEDI: But this protest was against the fall in price.

THE DEPUTY CHAIRMAN: Shri Shiv Charan Singh.

SHRI TRILOKI NATH CHATURVEDI: The protest was against the fall in price.

THE DEPUTY CHAIRMAN: Chaturvediji, the hon. Member knows what he has asked and the hon. Minister knows what he has to answer.

SHRI GOVINDRAM MIRI: Madam, proper answer has not come.

SHRI J. CHITHARANJAN: Madam, the fall in the price of rubber...

THE DEPUTY CHAIRMAN: I called Shri Shiv Charan Singh. You are next.

श्री शिव चरण सिंह: उपसभापति महोदया, मैं आपके माध्यम से मंत्री जी से पूछना चाहता हूं कि एक ओर तो रबड़ की कीमतों में 40 प्रतिशत की कमी हुई है, दूसरी ओर रासायनिक खाद की, मजदूरी की दरों में बढ़ोत्तरी हुई है। प्राकृतिक रबड़ किसानों के गोदामों में इकट्ठा हो गया है, उससे एक हजार करोड़ रुपए का सरकार का नुकसान हुआ है। माननीय मंत्री जी मुझे यह बताएंगे कि इस किसानों के नुकसान और उनकी कीमत में 40 परसैंट की घटोत्तरी और करोड़ों रुपए के एक्साइज़ और दूसरे टैक्सेशन की जो कमी आएगी, उसके लिए आप स्वयं जिम्मेदार हैं या कोई और जिम्मेदार है?

SHRI BOLLA BULI RAMAIAH: Madam, our main objective is to see that there is good demand for the rubber produced. Chemical fertiliser goes into the cost of production. We always fix what is called the 'benchmark price'. In view of the fact that there would be an increase in the cost of inputs, we revise this benchmark price from time to time. At present, the benchmark price is Rs. 3800/-. We are trying to see that the price does not fall below that. When such a thing happens, the STC intervenes in the market and ensures that the price goes up so that the farmers get a reasonable price. Our effort is to see that the farmers continue to get a higher price, whatever is possible.

श्री शिव चरण सिंह: महोदया, रबड़ उत्पादकों का जो सरप्लस माल होता है, उसको खरीदने के लिए कोई एजेंसी आप बनाएंगे? 40 प्रतिशत माल उनका पड़ा हुआ है और कोई खरीददार नहीं है। किसान उत्पादन कम कर देंगे, रबड़ की कमी हो जाएगी, फिर आप इम्पोर्ट करते फिरेंगे। सारी जगह घसर-पसर की बातें, हर स्टेज में गड़बड़ 40 परसेंट माल उनका पड़ा हुआ है, खरीदने के लिए कोई एजेंसी नहीं है। हर महकमे में घसर-उपसर, यह क्या बात है?

THE DEPUTY CHAIRMAN: I think 'ghasar-pasar' should be translated into English.

श्री शिव चरण सिंह: आप यह साफ बताइए कि उनका जो माल पड़ा हुआ है, जिसका कोई खरीददार नहीं है...

उपसभापति: उनको बोलने तो दीजिए।

श्री शिव चरण सिंह: उसको खरीदने के लिए आप कोई एजेंसी नियुक्त कर रहे हैं या नहीं?

उपसभापति: शिव चरण जी, आप बैठिए न, उनको जवाब तो देने दीजिए। अब आपने ऐसा लफ़्ज़ बोल दिया है कि अंग्रेजी में उसका ट्रांसलेशन हो नहीं पाएगा।

SHRI BOLLA BULI RAMAIAH: Madam, as I pointed out earlier, we intervene in the market with a view to seeing that the price goes up. We continue to see that the price goes up and the farmers get a proper price. This is what we are trying to do.

श्री शिव चरण सिंह: क्या किसानों का रबड़, जो उनके पास पड़ा है, उसको खरीदने के लिए आप कोई एजेंसी नियुक्त करेंगे या नहीं, आप साफ बताइए?

उपसभापति : बस, हो गया।

श्री शिव चरण सिंह मैडम, मैं संतुष्ट नहीं हूं।

उपसभापति: प्लीज़ शिव चरण जी

श्री शिव चरण सिंह: किसान तो भूखे मर रहे हैं, वे रबड़ से पेट थोड़े भरेंगे आप उनके माल को खरीदने की कोई व्यवस्था करेंगे या नहीं?

उपसभापति: बैठिए न शिव चरण जी। अब आप रबड़ की तरह अपने क्वेश्चन को मत खींचिए।

श्री राघवजी: मैडम, ...

उपसभापति: बैठिए, चितरंजन जी को पूछने दीजिए।

SHRI J. CHITHARANJAN: Madam, the fall in the price of rubber, natural rubber, is very steep. The prices have fallen by 60 per cent compared to what it was in the previous year. It has happened because of certain policies pursued by the Government. First of all, the Government allowed the import of natural rubber as well as a substitute like polyurethene. That is why there has been a fall in the price suddenly.

What has been done by the Government so far is not at all satisfactory. As far as I know, what the STC is doing is: it purchases only after the price goes down below Rs. 41/- per kg. The maximum that they have purchased so far is only 642 tonnes or so. Unless the Government declares a support price and offers to meet any loss which is incurred, the agriculturists cannot be saved from this crisis. Therefore, I would like to know whether the Government would consider declaring a support price and also asking the STC to purchase on a large scale—30,000 to 40,000 tonnes—and offering to meet any loss incurred by the STC in the purchase.

SHRI BOLLA BULI RAMAIAH: Madam, we, the State Governments and the STC are jointly entering the market. Whenever the price goes down, we try to see that the support price goes up. We are acquiring whatever is possible. The prevailing Price goes on increasing. Whether tyre manufacturers buy it or component manufacturers buy it, we want to ensure that the farmers get a higher price. Whenever there is an occasion, we intervene. If required, we buy more quantity also. It depends upon the market. We want to ensure that the farmers get a higher price. That is what we aim at.

SHRI JAYANT KUMAR MALHOUTRA: Madam, the hon. Minister has stated that the price of rubber depends on the supply and demand situation. That is correct. I do not think that an artificial purchase of rubber by the STC at an inflated price is going to help. You know that the tyre industry is a major consumer of rubber. It has opened the flood-gates by importing rubber from abroad. Dumping of tyres retreaded abroad is being done in India. Apart from being an ecolgical nightmare, it will lead to a substantial reduction in consumption of tyres manufactured in the country. Therefore, there is the reduction in the demand for rubber. What is the Government going to do about it?

SHRI BOLLA BULI RAMAIAH: Madam, this is a very important issue, to which we are also paying our attention. Second-hand tyres have been imported under OGL for a long time. This has not happened recently. We also export a substantial quantity of tyres. In 1995—96, we exported tyres worth Rs. 1,097 crores. In 1996-97, we exported tyres worth Rs. 1,163 crores. We are a big exporter and importer of tyres. We have discussed this issue with the concerned Ministries. We are trying to review the whole thing. If necessary, we will put a ceiling on the price of imported tyres so that we can protect our industry from any dumping in this country.

SHRI E. BALANANDAN: Sir, the Minister says that the Government is reviewing the situation and that, if necessary, it will act. The point is that Kerala's economy is going down and down be-

cause of the serious situation created by the falling prices. Once the agricultural people, the peasants decide to stop the cultivation of rubber, India will be totally lack of rubber, and we will be forced to rely on foreign rubber alone. Therefore, the Government has to act immediately to maintain the indigenous production. Therefore, I request the Minister to see that the STC buys more rubber for the time being. This crisus can be tide over. The market will become steady. It is not going to be like this always. Therefore, some temporary, immediate, urgent measure should be taken by the Government to relieve the peasantry of its difficulties.

SHRI BOLLA BULI RAMAIAH: Madam, what we are doing now is exactly what he has suggested. The moment it comes to our notice that the price is going down, we enter the market. From Rs 38/- it has gone up to Rs.44. We are still in the market. We are continuing our support to it so that the farmers can get a higher price.

DR. GOPALRAO VITHALRAO PATIL: Madam, my thrust is on the second part of the question, what the Government is going to do to safeguard the interests of rubber growers.

Rubber is grown in the North-East as well as in Kerala and karnataka in the coastal areas. We visited the North-East. Tribal people are growing rubber. Will the Government propose to acquire land, give it to the tribals, form some societies and give incentives for production of rubber? As you just said, giving them remunerative prices is one of the things by which the Government can help them. But, to increase the production and to involve ....

उपसभापति: सवाल आप पूछ लीजिए, सजेशंस आप लिखकर भेज दीजिएगा।

DR. GOPALRAO VITHALRAO PATIL: My question is this. What is the Government going to do so that the tribals can take part in growing and cultivation of rubber?

They are doing it in Tripura.

SHRI BOLLA BULI RAMAIAH: Madam, the hon. Member wants to know whether we are going to support the growing of rubber in North-Eastern States. In fact, that is exactly what we are doing. We are giving additional support to the north-Eastern States for development of rubber, coffee and tea, because we find that that area has more possibility of growing these things. So, the Rubber Board, the Tea Board and the Coffee Board are identifying the areas. Wherever soil and climate are found to be good, we are trying to support it by giving additional support. So, I accept your suggestion.

Package to Safeguard Interests of Investors in CRB Mutual Fund

*183. SHRI RAJUBHAI A. PARMAR:
SHRI SUSHILKUMAR SAMBHAJIRAO SHINDE:

Will the Minister of FINANCE be pleased to state:

(a) whether any rescue package to safeguard the interests of the investors in CRB Mutual Fund and allied financial institutions, has been evolved in the context of the CRB Scam that has come to light;

(b) if so, the details thereof; and

(c) the steps taken to safeguard the investors' interest, so far?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM): (a) to (c) A statement is laid on the Table of the House.

Statement

(a) to (c) The action taken by SEBI to protect the interest of investors of CRB Mutual Fund is as follows:

(1) SEBI issued a direction to the CRB Mutual Fund in May, 1997 not to launch schemes till further order.

(2) Custodians of the Mutual Fund has been directed not to dispose of any of securities held in its custody on behalf of CRB Mutual Fund and